United Nations A/63/582

General Assembly

Distr.: General
3 December 2008

Original: English

Sixty-third session
Agenda item 118
Programme budget for the biennium 2008-2009

Associated costs related to the capital master plan

Report of the Secretary-General

Summary

In response to a request by the General Assembly in its resolution 62/87, the Secretary-General submitted a report in April 2008 on associated costs related to the capital master plan (A/62/799).

The present report provides an update to the estimated requirements reported in document A/62/799, based on the most recent information submitted by the departments and offices required to provide necessary support during the capital master plan implementation. The report replaces and substitutes for document A/62/799. The associated costs estimated in the present report amount to $185,997,400 gross ($176,569,000 net), or $7,754,300 gross ($6,569,500 net) less than the costs reported in document A/62/799.

A decision by the General Assembly is requested on the proposals and on the financing of the associated costs for the capital master plan.

08-63164 (E) 101208

I. Introduction

1. During the construction period of the capital master plan, temporary increases in staffing and operational costs will be required in certain parts of the Secretariat that will support the construction activities of the capital master plan. At this stage such costs have been identified with regard to the Department for General Assembly and Conference Management, the Department of Public Information, the Department of Management and the Department of Safety and Security.

2. In its resolution 62/87, the General Assembly requested the Secretary-General to "make every effort to absorb such costs within the approved budget of his capital master plan".

3. While the Secretary-General has sought to absorb the associated costs identified by departments and offices within the approved budget of the capital master plan, he has determined that it is not possible without adverse effect on the capital master plan project itself. It should also be noted that in paragraph 36 of his sixth annual progress report on the implementation of the capital master plan (A/63/477) the Secretary-General indicated that the projected cost to complete the capital master plan was estimated at $1,974.2 million as at September 2008. Compared to the approved budget of the capital master plan of $1,876.7 million, the cost overrun of which would be projected at $97.5 million.

4. In June 2008, the Secretary-General wrote to the President of the General Assembly to inform him that failure to proceed with elements of the associated costs would delay the core capital master plan project (at a cost estimated at $11.7 million per month). He also informed the President that it was his intention, in the absence of any objection from the General Assembly, to proceed with financing the associated costs by entering into commitments not exceeding, inter alia, $9.5 million between the date of his letter and 31 December 2008, drawing upon the available cash balance in the capital master plan account pending consideration of the report by the General Assembly on the capital master plan associated costs. The Secretary-General's letter was transmitted by the President of the General Assembly to the Chairman of the Fifth Committee on 5 June 2008 (A/C.5/62/29). As at 31 October 2008, the actual amount of funds committed for these purposes amounted to $1,565,500.

5. Tables 1 and 2 below list the revised projected associated costs related to the capital master plan for the period from 2008 to 2013 by organizational unit concerned and by object of expenditure.

Table 1
Projected associated costs related to the capital master plan by organizational unit[a]
(Thousands of United States dollars)

Department/Office	*Estimated cost 2008-2009*	*Estimated cost 2010-2013*	*Estimated cost 2008-2013*
Department for General Assembly and Conference Management	995.3	1 815.6	2 810.9
Department of Public Information	3 823.1	30 035.8	33 858.9

Department/Office	*Estimated cost 2008-2009*	*Estimated cost 2010-2013*	*Estimated cost 2008-2013*
Office of Central Support Services[b]	18 963.1	78 158.7	97 121.8
Department of Safety and Security	12 035.2	30 742.2	42 777.4
Subtotal (net)	**35 816.7**	**140 752.3**	**176 569.0**
Staff assessment[c]	2 374.5	7 053.9	9 428.4
Total (gross)	**38 191.2**	**147 806.2**	**185 997.4**

[a] At current 2008-2009 rates.

[b] Includes also resource requirements estimated for the Office for Information and Communications Technology, pending a decision by the General Assembly on the creation of such a separate office and associated resource allocation.

[c] To be offset by an equivalent amount of income under income section 1, Income from staff assessment.

Table 2

Summary of resource requirements by object of expenditure[a]

(Thousands of United States dollars)

Object of expenditure	*Estimated cost 2008-2009*	*Estimated cost 2010-2013*	*Estimated cost 2008-2013*
Other staff costs	12 188.2	35 955.6	48 143.8
Consultants and experts	3 528.0	0.0	3 528.0
Contractual services	3 058.3	3 184.2	6 242.5
General operating expenses	5 396.3	5 278.7	10 675.0
Supplies and materials	716.2	356.4	1 072.6
Furniture and equipment	6 408.1	92 188.3	98 596.4
Improvement of premises	4 521.6	3 789.1	8 310.7
Subtotal (net)	**35 816.7**	**140 752.3**	**176 569.0**
Staff assessment[b]	2 374.5	7 053.9	9 428.4
Total (gross)	**38 191.2**	**147 806.2**	**185 997.4**

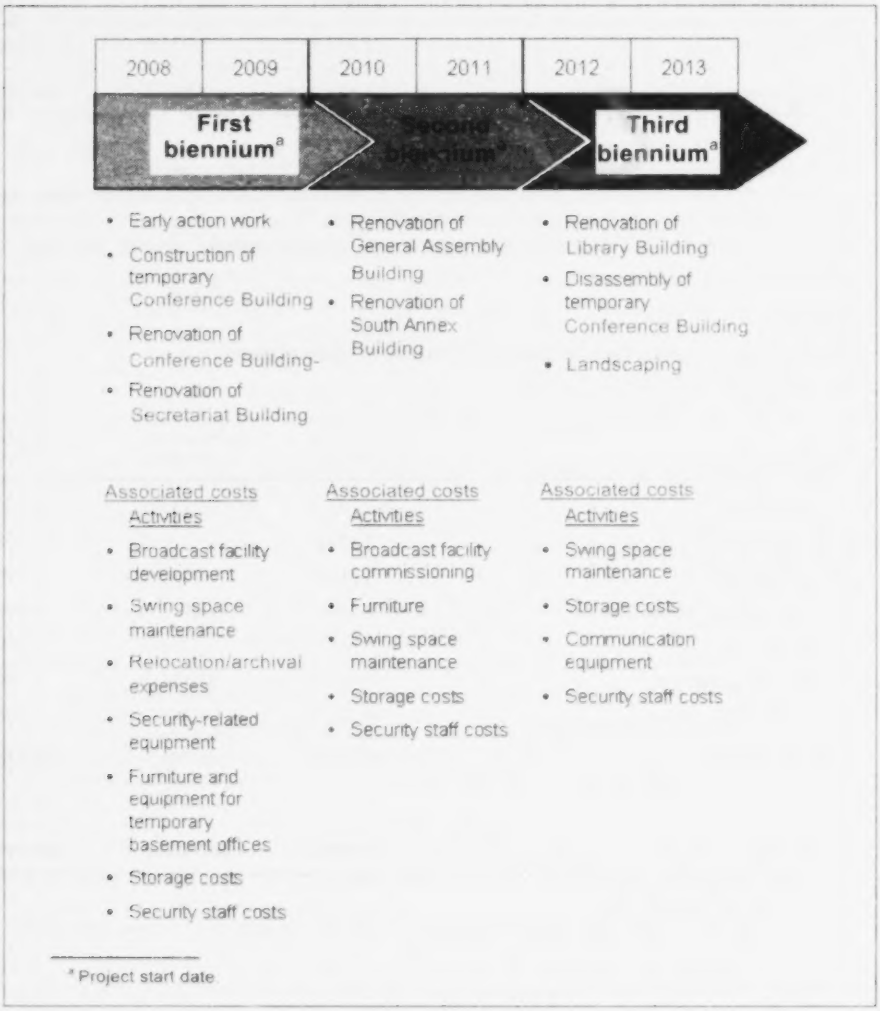
[a] At current 2008-2009 rates.

[b] To be offset by an equivalent amount of income under income section 1, Income from staff assessment.

II. Time frame

6. The timing of the associated costs sought in the present report has been reviewed in detail by the capital master plan project team to align the phasing of requirements to the timetable of the project. In that connection, the chart below presents the linkage between capital master plan project activity and the period of time (top half of the chart), and the associated activities to be undertaken by the affected departments and offices (lower half of the chart).

7. Significant related activities and, hence, costs are expected to arise during the biennium 2008-2009. Some of those activities will thereafter continue into subsequent bienniums, where such activities require installation after purchasing and related commissioning (for example, development of a broadcast facility will require equipment purchase, installation, testing and commissioning).



III. Identified associated costs

8. The renovation of United Nations Headquarters in New York brings with it a number of complications. The largest obstacle is to ensure that the levels of security, operations and service are maintained over a dispersed campus. To meet those challenges, there are a number of items to be considered. The following paragraphs describe some of the challenges and detail the level of resources required by

departments and offices to ensure that the renovation project will be completed in a timely manner with as little disruption to activities as possible. Also provided is information on the replacement of broadcast facilities and furniture and equipment for the renovated buildings. Departmental activities described below are aligned with the capital master plan timetable, and as such, resources would be required over three bienniums: 2008-2009, 2010-2011 and 2012-2013.

9. A first round of intensive value engineering has been completed in order to bring the project to within the approved capital master plan budget of $1,876.7 million. The savings that have been identified so far ($106 million) are across all areas of the project, the largest in the mechanical and electrical systems. There are no losses of functionality associated with the savings so far identified, and the process of value engineering will continue throughout the rest of the design. As value engineering has currently yielded less than half of the projected cost overrun, it seems highly unlikely at this point that additional resources, sufficient to cover the associated costs, will be found.

Table 3
Summary of resource requirement by organizational unit and by object of expenditure[a]
(Thousands of United States dollars)

Department/Office	*Other staff costs*	*Consultants and experts*	*Contractual services*	*General operating expenses*	*Supplies and materials*	*Furniture and equipment*	*Improvement of premises*	*Other costs*	*Total*
Department for General Assembly and Conference Management	2 810.9	—	—	—	—	—	—	—	2 810.9
Department of Public Information	—	3 504.0	319.1	—	—	30 035.8	—	—	33 858.9
Office of Central Support Services[b]	6 807.4	24.0	4 806.2	9 829.3	—	67 344.2	8 310.7	—	97 121.8
Department of Safety and Security	38 525.4	—	1 117.2	845.7	1 072.7	1 216.4	—	—	42 777.4
Subtotal (net)	**48 143.7**	**3 528.0**	**6 242.5**	**10 675.0**	**1 072.7**	**98 596.4**	**8 310.7**	**—**	**176 569.0**
Staff assessment[c]	—	—	—	—	—	—	—	9 428.4	9 428.4
Total (gross)	**48 143.7**	**3 528.0**	**6 242.5**	**10 675.0**	**1 072.7**	**98 596.4**	**8 310.7**	**9 428.4**	**185 997.4**

[a] At current 2008-2009 rates.
[b] Includes also resource requirements estimated for the Office for Information and Communications Technology, pending a decision by the General Assembly on the creation of such a separate office and associated resource allocation.
[c] To be offset by an equivalent amount of income under income section 1, Income from staff assessment.

A. Department for General Assembly and Conference Management

10. An estimated provision of $2,810,900 will be required for the duration of the project under other staff costs to ensure that the Department for General Assembly and Conference Management maintains the required support capacity for mission critical systems, particularly the meetings management and document management

systems. Requirements also relate to the removal, set-up and installation of specific departmental information technology applications.

B. Department of Public information

11. Requirements for the Department of Public Information are estimated at $33,858,900 for the period 2008-2013. Consultancy services ($3,504,000) are required to assist in the development of an integrated management solution for television, radio, video and audio, including automation of the archives and a centralized robotic control system for cameras. The integrated system is included under the furniture and equipment heading and is estimated at $30,035,800. That would provide for the replacement of the current obsolete broadcast equipment with equipment that represents the latest technology and standards in the industry. The newly designed broadcast facility will be integrated with the services provided by the installation of robotic cameras and digitized audio and will enable the seamless movement of video images between Headquarters and field offices. It will also simplify departmental operations and enhance productivity. The above cost includes the procurement of all equipment related to the media operations centre, master control room, television production control for high definition, editing suites for high definition non-linear formats, audio control room, radio control rooms and radio studios, including the infrastructure for the central equipment facility.

12. An amount of $319,100 is required under contractual services for reconfiguration of one radio studio for the new International Broadcast Centre and for audio-visual archivists to work on the inventory, appraisal, selection, classification, retention, disposal and indexing of audio-visual records.

C. Office of Central Support Services

Facilities management

13. The Office of Central Support Services will need to ensure that all facilities, including swing space, are managed in accordance with health and safety requirements and that services related to travel, visa and transportation requirements are continued without interruption. The logistical activities of managing the moves of staff in and out of swing space along with tracking non-expendable property are within the purview of the Office. The Office is also responsible for furniture requirements in the Secretariat. Added complications for the Office include the continuation of the provision of support services to official meetings in the conference swing space.

14. In that regard, resources estimated at $87,050,900 will be required during the renovation project. The major component of the costs relates to furniture and equipment ($67,344,200), which includes office furniture for approximately 4,500 staff and conference room chairs and furniture in lobbies, lounge areas and informal meeting rooms ($56,026,500). The furniture will be required when the renovated buildings are reoccupied.

15. With respect to requirements under other staff costs, resources in the amount of $5,597,000 are required for 10 positions, to cover such responsibilities as provision of technical expertise, integration of new building management systems,

procurement of furnishings for an estimated 4,500 staff, maintenance of records, and space and asset management.

16. In regard to general operating expenses ($9,829,300), provision is sought for additional storage of furniture and archives and the related packaging requirements, relocation services and maintenance costs covering such items as fire alarm and sprinkler servicing and heating, ventilation and air conditioning repairs for the swing space and North Lawn Conference Building. An amount of $1,836,900 will also be required under contractual services for project engineering to oversee the installation and commissioning of the North Lawn Conference Building management system and the Secretariat Building management system. In addition, a provision of $2,443,500 is sought for fit out costs of archives storage space and office accommodation costs for additional staff requested under associated costs relating to the capital master plan.

Information and communications

17. Information technology and communication services would need to be maintained across all swing space offices and in the North Lawn Conference Building during the capital master plan period. Particularly relevant will be activities covering the migration of operations and conference support systems, that is, conference audio, voting systems and television and radio production infrastructure, as follows:

(i) In 2009, from the Conference Building to the North Lawn Conference Building;

(ii) In 2011, conference operations and the central broadcast and audio-visual operations from the General Assembly Building to the renovated Conference Building;

(iii) In 2012 and 2013, from the remaining North Lawn Conference Building conference operations back to the renovated General Assembly Building.

18. Resources estimated at $10,070,900 in total will be required for information and communications technology services during the renovation project. With respect to requirements under other staff costs ($1,210,400), resources are required for temporary positions of an Information Systems Officer (P-3) and two Information Technology Assistants to cover such responsibilities as provision of integration of swing space information technology systems and connectivity of broadcast facilities.

19. An amount of $2,969,300 is also sought under contractual services for the migration of all information and communications technology applications to the new North Lawn facility and for engineering services for the installation and commissioning of the North Lawn Conference Building and the Secretariat Building. The migration exercise will also require consultancy services ($24,000), as the respective expertise is not available internally.

20. In addition, provision of $5,867,200 is sought for the acquisition, installation and maintenance of security-related equipment, to support the Department of Safety and Security hardware and software requirements for the existing security command centre and a primary security command centre.

D. Department of Safety and Security

21. Resources amounting to $42,777,400 are required for the duration of the project. Of that amount, $38,525,400 relates to a temporary security contingent to provide security coverage in accordance with minimum operating security standards related to swing space locations and construction activity at the North Lawn and the Secretariat buildings and includes 8 Professional positions, 6 General Service (Other level) positions and 93 Security Officer positions. Specific tasks required of these additional positions include: (a) access control and screening of persons, packages and vehicles entering and leaving the swing space and construction premises; (b) emergency response and crisis management capabilities in swing space and construction areas; (c) pass and identification services for all construction activities; (d) explosive device detection; (e) fire safety and hazardous material monitoring; (f) interaction with the host country authorities to ensure compliance with safety codes and follow-up on any corrective measures; (g) training for and conducting fire drills; and (h) testing of all life safety systems in all swing space locations. All construction-related deliveries of material and equipment must undergo a thorough screening process in accordance with the Headquarters' minimum operating security standards. Therefore, additional canine support is also required. With the increase in security officers there will be related additional costs such as uniforms, substance and psychological testing, training, ammunition supplies, storage and locker services, communication costs and canine supplies ($3,035,600). In addition, office automation equipment, security equipment, vehicles and trailers, and X-ray equipment and metal detectors at the new entry points created by the construction project will be required ($1,216,400).

IV. Conclusion

22. In the preparation of the present proposals the Secretary-General was guided by a number of considerations, including, inter alia, avoidance of duplication, where possible. The Secretary-General has reviewed the possible absorptive capacity within the current approved budget of the capital master plan and has noted that, at the present time, with the value engineering exercise ongoing, capacity does not exist within the capital master plan to meet the additional associated costs. The Secretary-General has also considered absorptive capacity within the departments and offices that will be responsible for ensuring that the work of the United Nations continues with minimum disruption during the period of renovation, and notes that only limited absorptive capacity is available. Wherever possible, that limited capacity has been offset against the current request for resources.

V. Actions to be taken by the General Assembly

23. **The General Assembly is requested to take the following actions:**

(a) **To approve the overall level of associated costs estimated at $185,997,400 gross ($176,569,000 net);**

(b) **To approve the total associated costs for the biennium 2008-2009 in the amount of $35,816,700 (net) broken down as follows: an amount of $995,300 under section 2, General Assembly and Economic and Social Council affairs and**

conference management; $3,823,100 under section 27, Public information; $14,441,500 under section 28D, Office of Central Support Services; $4,521,600 under section 32, Construction, alteration, improvement and major maintenance; $12,035,200, under section 33, Safety and security; and $2,374,500 under section 35, Staff assessment, to be offset by an equivalent amount of income under income section 1, Income from staff assessment, of the programme budget for the biennium 2008-2009;

(c) To decide that for the biennium 2008-2009, to meet the associated costs for the capital master plan, the provisions for the application of credits under regulation 3.2 (d), 5.3 and 5.4 of the Financial Regulations and Rules of the United Nations shall be suspended in respect of the amount of $38,191,200 gross ($35,816,700 net), which otherwise would have to be surrendered pursuant to those provisions;

(d) To note that estimated requirements of $147,806,200 ($140,752,300 net) for the period 2010-2013 will be considered in the context of the proposed programme budgets for the relevant bienniums, taking into account at that time any available balances within the approved budget for the capital master plan.